Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Rural Call Completion	)	WC Docket No. 13-39

COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint") hereby respectfully submits its comments on the Second Further Notice of Proposed Rulemaking (FNPRM) released on July 14, 2017, FCC 17-92, in the above-captioned proceeding. The rural call completion data collection, reporting and retention requirements not only are ineffective at addressing alleged rural call completion problems, but also involve substantial compliance costs, and should accordingly be eliminated. As discussed below, vigorous competition in the retail long distance market forces service providers to meet a high standard of service, including the termination of traffic to all exchanges. Any rural call completion problem which may currently exist is best addressed by accelerating the implementation of a bill-and-keep intercarrier compensation regime, and by allowing carriers to design and implement appropriate controls to help ensure the delivery of traffic to all areas.

I. Any Rural Call Completion Problem Which May Exist Is Best Handled by Eliminating Uneconomically High Terminating Costs.

In the instant FNPRM, the Commission stated that "one key factor" causing rural call completion problems is long distance carriers' attempts to reduce the "relatively high rates" incurred to terminate long-distance calls to rural carriers by handing off calls to intermediate providers that offer to deliver those calls "cheaply."[1] Rather than continuing to rely upon the existing data collection, retention and reporting rules, whose utility the Commission now questions,[2] the Commission now has sought comment on whether it should address rural call completion issues by regulating covered carriers' use of intermediate carriers, including specifying performance metrics applicable to intermediate carriers.

Sprint agrees that terminating access charges, especially to rural exchanges, remain uneconomically high, and that least cost routing via an intermediate carrier is one means of reducing terminating expense.[3] However, the Commission's focus on covered providers' use of intermediate carriers or the application of performance metrics to intermediate carriers is misplaced. The most effective way to resolve a rural call completion problem -- assuming *arguendo* that such a problem does indeed exist beyond an isolated, relatively few instances -- is to address what the Commission itself has identified as a root cause: uneconomically high terminating rates.

The most effective solution to uneconomically high terminating rates is for the Commission to accelerate the implementation of the bill-and-keep intercarrier compensation mechanism already endorsed by the Commission's previous orders on intercarrier compensation[4] -- reducing and ultimately eliminating any incentive to engage

[1] FNPRM, para. 2.
[2] *Id.*, para. 12.
[3] It is important to note that use of intermediate carriers is a completely legitimate, widely used practice to ensure geographic coverage (no service provider directly connects to every local exchange in the country), provide network redundancy, and handle overflow traffic, as well as to reduce access expense.
[4] *See, e.g., Connect America Fund et al.*, 26 FCC Rcd 17663, para. 741 ("a bill-and-keep framework for intercarrier compensation best advances the Commission's policy goals and the public interest…") (2011) ("*ICC Reform Order*").

in traffic routing practices that adversely affect call quality. In the instant proceeding, the Commission emphasized that "the ongoing transition to bill-and-keep will continue to reduce the incentive structure that contributes to rural call completion problems."[5] Therefore, the Commission should accelerate the transition to bill-and-keep for remaining terminating elements, apply transitional terminating rates to the open end of 8YY traffic, and adopt a plan to transition originating access to a system of bill-and-keep.

The Commission has long recognized that a bill-and-keep regulatory regime is in the public interest because it "promotes deployment of IP networks, …eliminate[s] competitive distortions between wireline and wireless services, and best promotes our overall goals of modernizing our rules and facilitating the transition to IP."[6] The reduction of rural call completion problems associated with adverse call termination practices is one additional benefit that would arise from the accelerated implementation of bill-and-keep.

II. The Commission Should Eliminate the Rural Call Completion Record Collection, Reporting and Retention Rules, and Suspend Such Rules Pending this Rulemaking.

The Wireline Competition Bureau has analyzed two years' of the quarterly rural call completion Form 480 reports filed by covered carriers, and identified numerous data quality issues (including differing practices related to call categorization and inclusion of autodialer traffic, intermediate provider traffic, and wholesale traffic) that "impact the reliability of the data collection and preclude us from drawing firm conclusions from the data…. Even if accepted at face value, the data provides a less than clear understanding

[5] FNPRM, para. 10.
[6] *ICC Reform Order*, para. 34.

of the overall state of rural call completion performance."[7] The Bureau's analysis also suggests that "rural call completion may be more a function of individual provider performance than a systemic problem."[8] Thus, the Bureau has recommended that the Commission consider "eliminating the recording, retention, and reporting rules…."[9]

Sprint agrees with the Bureau's analysis and with its conclusions regarding the efficacy of the rural call completion rules and the usefulness of the quarterly reports. As the Bureau correctly noted, the quarterly RCC reports reflect varying call reporting and aggregation practices by covered providers – practices which are allowed under the rules and are not, insofar as Sprint is aware, indicative of unreasonable or improper reporting by any carrier. However, these varying reporting practices do make comparison across service providers or conclusions about overall rural call completion results problematic. At most, the reports summarize call completion outcomes of the individual reporting carrier "weeks or months"[10] after the fact.

The Commission should be mindful of the impact its rural call completion rules have on covered carriers, and be cautious about imposing any new and burdensome industry-wide network management requirements, given the lack of evidence that rural call completion is currently a widespread problem. Although the quarterly Form 480 reports suffer from various data quality issues, the Commission has noted that these reports indicate that median call answer rates for rural and nonrural OCNs in the aggregate are very close – within approximately 2% of each other.[11] The Commission

---

[7] *Rural Call Completion*, WC Docket No. 13-39, *Report* released June 22, 2017 by the Wireline Competition Bureau (DA 17-595) ("RCC Report"), para. 2.
[8] *Id.*
[9] *Id.*
[10] FNPRM, para. 12.
[11] *Id.*, para. 7.

has also noted that from 2015 to 2016, rural call completion complaints decreased dramatically -- consumer complaints decreased by 57 percent, and rural carrier complaints decreased by 45 percent.[12]

Sprint's own data confirm that rural call completion problems involving its subscribers have been extremely modest and isolated. For example, from April 2013 to the present, the FCC's Rural Call Completion Task Force served Sprint with 36 complaints,[13] with only 5 in 2017 to date. Since 2013, Sprint's Executive and Regulatory Service department has received a total of 148 rural call completion complaints from the FCC's Consumer and Governmental Affairs Bureau, PUCs, AGOs, Better Business Bureaus, and executive escalations.[14] Compared to Sprint's total call volumes, this complaint rate is infinitesimal. In the first half of 2017 alone, Sprint handled approximately 88 million covered call attempts to rural exchanges, and over 5.1 billion covered call attempts to non-rural exchanges. Excluding the anomalous impact of a few large-scale autodialing campaigns in a handful of specific rural exchanges, Sprint's aggregate rural and non-rural call completion rates were very close in each of the 8 quarters reported on Form 480; indeed, in multiple quarters, aggregate rural call completion rates were actually higher than in non-rural exchanges. This strongly suggests that Sprint is not experiencing any systemic rural call completion problem, and

[12] *Id.*, para. 8.
[13] Three of the cases were filed by an RLEC representative on behalf of more than one Sprint customer. Some of these 36 cases were served on Sprint in error (did not involve Sprint customers or the Sprint network), involved local traffic (which is not subject to the Commission's rural call completion rules), or appeared to be RF coverage rather than rural call completion issues.
[14] Some of these complaints were duplicative (same complaint received from multiple referring agencies), or, as noted in footnote 13, were served on Sprint in error, involve local traffic, or were RF coverage issues.

we remain concerned about the diversion of limited resources to track a situation which by all accounts is not a significant problem for Sprint.

The Commission has acknowledged that compliance with the rural call completion collection, retention and reporting rules imposes "meaningful ongoing costs" on covered carriers.[15] The individual burden was previously estimated by various covered carriers to be in the millions of dollars -- $6.8 million per year for Sprint alone.[16] Additional costs continue to be incurred. For example, every time Sprint introduces a new service or revises call flows, it must devote IT and other development resources to ensure that covered traffic is properly identified, recorded, reported and retained. Sprint has had to delay the transition of a significant percentage of its wireless traffic to an updated, more efficient SIP routing design because of development work required to ensure compliance with rural call completion rules.

Given the extremely limited usefulness of the quarterly reports, the lack of evidence to suggest that rural call completion problems are industry-wide or anything other than sporadic and limited to a relatively few carriers, and the compliance costs

---

[15] FNPRM, para. 12.

[16] *See, e.g.*, comments of Sprint filed on Dec. 15, 2014 in WC Docket No 13-39 and OMB Control Number 3060-1186, p. 2 (footnotes omitted):

> Sprint had estimated that the cost of tracking, retaining and reporting data associated with billions of call attempts over its network could be approximately $6.8 million per year. AT&T estimated its compliance costs at $3 to $5 million; CenturyLink estimated it would incur onetime costs of $7.5 to $10 million, as well as $2.8 to $4.3 million in recurring annual costs; Frontier has stated that AT&T's and CenturyLink's cost estimates "provide reasonable proxies of compliance costs if proportionately scaled to the size of each carrier;" and Midcontinent Communications estimated that partial compliance with the new rules would cost "at least $150,000 in equipment cost and the addition of at least one additional full-time employee." Thus, the recurring compliance costs of only a few of the hundreds of covered providers could exceed $15 million per year; total industry costs could easily amount to hundreds of millions of dollars per year.

associated with the rural call completion rules, the Commission should eliminate the data collection, reporting and retention rules, and suspend such rules during the pendency of the instant NPRM. This suspension will cause no harm, but will result in significant resource savings to the scores of LECs, IXCs, CMRS providers, and VoIP service providers subject to these rural call completion rules.

III. Covered Providers Should Use their Discretion to Manage Their Intermediate Providers

The Commission has proposed to "hold covered providers responsible for monitoring rural call completion performance, and particularly maintaining the accountability of their intermediate providers in the event of poor performance."[17] Sprint agrees that covered providers have a responsibility to manage their intermediate carriers and to monitor their performance, including call completion rates. However, the Commission should refrain from mandating specific performance metrics for covered carriers or for their intermediate carriers, for several reasons.

First, as the Bureau has noted, and as Sprint's experience confirms, any problems with rural call completion seem to be "more a function of individual provider performance than a systemic problem."[18] It makes no sense to impose regulatory burdens on an entire industry when any problem seems to be largely attributable to a few service providers.

Specific metrics imposed by the Commission are unnecessarily intrusive given the level of retail competition in the long distance market. Regulatory intervention should occur only when market forces are insufficient to control anti-competitive or otherwise

[17] FNPRM, para. 11.
[18] RCC Report, para. 2.

unjust and unreasonable behavior. Where, as here, there is no systemic market failure, the Commission should refrain from interfering in service providers' network management practices or other internal operations. Instead, the Commission can and should leave monitoring and assessment practices "to the discretion of covered providers."[19] Some covered providers might choose to manage their intermediate providers based on some "industry best practices"; however, compliance with such "best practices" should remain voluntary. Covered providers who miscalculate the performance levels demanded by the market will pay the price in the form of consumer complaints and lost subscribers.

Sprint pays extremely close attention to customer surveys and network performance analyses, and we are well aware of the consequences of failing to meet market expectations, including quality of service to rural areas. Among other things, Sprint has implemented a robust performance monitoring and review process of the intermediate carriers with which we partner. For example:

- Sprint pays its intermediate carriers only for completed calls. Thus, our intermediate carriers have a direct and clear incentive to complete all calls directed to them by Sprint.

- The front line relationship with intermediate carriers is managed by Sprint network personnel who also have responsibility for investigating and addressing rural call completion complaints and are thus particularly sensitive to the quality of service in rural exchanges. As part of its management oversight, Sprint has a monthly call with each vendor to review ASRs, call completion rates, trouble tickets, post-dial delay, and a number of data performance factors such as latency, packet loss, jitter and MOS. Failure to meet Sprint's articulated performance standards (*e.g.*, a specified number of trouble tickets per million minutes) triggers more intense review and oversight of the intermediate carrier.

- Sprint network access personnel constantly monitor the performance of its intermediate carriers and have the authority to remove any intermediate carrier

[19] FNPRM, para. 16.

from the routing tree promptly upon receipt of a complaint or detection of a problem. (Authorization from a senior executive for such action is not required.) The intermediate carrier is kept out of the routing matrix while a trouble ticket is being worked.

- Over the past several years, Sprint has worked cooperatively and, we believe, successfully, with rural and non-rural LECs, intermediate carriers, regulators, and end users to investigate and resolve rural call completion complaints. Sprint commits to continue these cooperative efforts.

Second, it is important to recognize that failure to meet a performance metric may be beyond the control of a covered carrier or its intermediate carrier, and penalizing the covered carrier or the intermediate carrier for failure to satisfy a performance metric would be unfair and unreasonable. For example, Sprint is aware of multiple instances in which an aggressive, large scale autodialing campaign resulted in a very low call completion rate in a particular exchange. Sprint investigated each such case. Whenever possible, Sprint notified the entity whose subscriber was conducting the calling campaign; that entity in turn contacted its subscriber and was able to arrange for the termination of the autodialing campaign either voluntarily or, where a violation of the terms of service was involved, involuntarily. However, Sprint, as the underlying network provider, cannot unilaterally terminate autodialing campaigns and thus there is no basis for holding Sprint responsible for low call completion rates under such circumstances.

Third, determining what constitutes "sustained inadequate performance"[20] is extraordinarily difficult, and even with industry input, the end result may be nothing more than an arbitrary metric. Such an exercise would be a very inefficient use of Commission and industry resources.

[20] FNPRM, para. 15.

The Commission can and should make clear its expectations that covered carriers will appropriately manage their own, and their intermediate carriers' performance in terminating calls to rural exchanges. Given the intense competition in the retail long distance market, the lack of evidence of an industry-wide problem, and the downward trend in rural call completion complaints, more intrusive regulatory intervention is unwarranted and unwise.

Respectfully submitted,

SPRINT CORPORATION

/s/ Charles W. McKee

Charles W. McKee
Vice President, Government Affairs
Federal and State Regulatory

Norina T. Moy
Director, Government Affairs

900 Seventh St. NW, Suite 700
Washington, DC 20001
(703) 433-4503

August 28, 2017